



**Testimony of Kevin P. Lembo, State Healthcare Advocate
before the Appropriations Committee of the
Connecticut General Assembly**

February 9, 2009

Senator Harp, Representative Geragosian, and members of the Appropriations Committee, for the record I am Kevin Lembo the State Healthcare Advocate and I am here to testify in strong opposition to Governor M. Jodi Rell's proposal to close the Office of the Healthcare Advocate.

The Office of the Healthcare Advocate was created by you, the Legislature, in 1999 as part of the much larger Managed Care Accountability Act. While we have made strides together to protect consumers over the years, the job is far from finished. The insurance market is more confusing than ever; fewer employers and individuals can find coverage that is meaningful and affordable; and, the denials get more troubling every day.

I share your concerns, and those of the Governor, about the challenging financial condition of our state and nation. The looming budget deficit of the biennium will require clear and innovative thinking on all our parts. The easy answers, the quick cuts, however will simply not be enough.

The OHA is a Special Fund Agency. We receive our budget allocation from the Insurance Fund (like the Insurance Dept.). The Insurance Fund, as you know, is created based on an assessment on insurance companies. The OHA and Insurance Dept. (CID) while sharing funding, have very different roles. CID is the regulator. OHA is the consumer advocate. The Insurance Department ensures that there is a healthy insurance marketplace. The Office of the Healthcare Advocate makes sure the market is healthy for consumers.

The Insurance Department does not, can not, and arguably, should not do what we do. CID only helps consumers who are in state-regulated plans, but about 50% of insured Connecticut residents are in federally regulated plans. The Insurance Department is prevented from helping them. Without OHA, they will have nowhere else to turn.

The OHA ensures that health insurance companies meet their contractual obligations and that they pay for the medically necessary, sometimes life-saving, treatment patients need.

We help patients and providers to build and document the case for medical necessity, and it is based on that information that denials are reversed on appeal. This is a core consumer protection of function of government that is not performed by any other agency.

Cuts to the Insurance Department or the OHA do not help to close the General Fund deficit. In fact, cuts to CID or OHA go back to the insurance industry. All rescissions, lapses and cuts are backed out as credits when the new fiscal year assessment is calculated.

In 2008, the OHA helped more than 2,000 patients to resolve problems with their health insurance coverage. OHA's assistance resulted in more than \$5,000,000 in consumer savings last year – the value of those claims for surgeries, cancer treatment, transplants, mental health care, and other needs, that we helped to overturn.

The OHA's budget for this fiscal year is slightly over \$1,000,000. For every dollar we spend from the Insurance Fund, we return more than \$5 directly to the pockets of patients. These are patients who would have spent down their retirement savings, max-ed out their credit cards, refinanced their homes, or borrowed from friends and family members to get the care they need. Even worse, there are those who could do none of those things and who simply go home and wait. This is dramatic, but it is a frightening reality for our neighbors every day.

Since 1/1/05, OHA has helped about 7,500 patients and returned nearly \$14 million in savings directly to patients and their families. With higher unemployment, and an anticipated increase in denials for those lucky enough to have insurance, the need for OHA will only increase in the coming years.

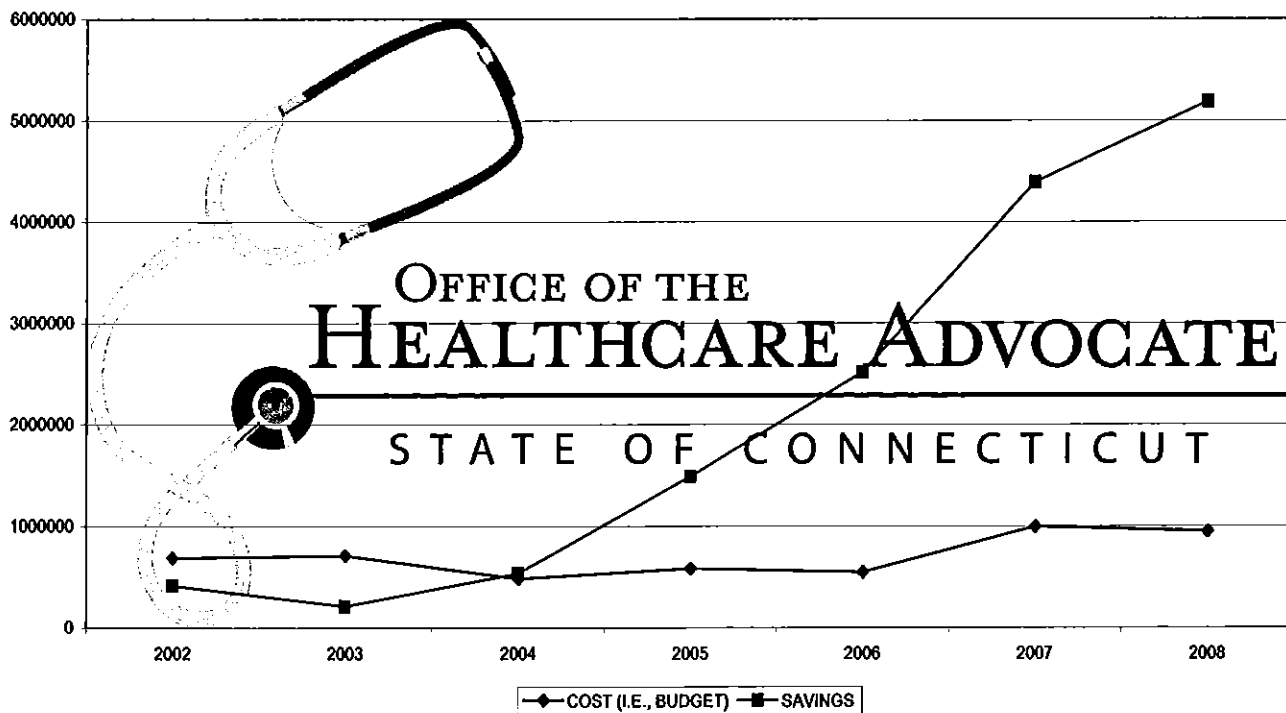
The Office of Fiscal Analysis often cites OHA's performance measurement, "For every dollar we spend from the Insurance Fund, we return \$5.20 to the pockets of patients," as a high-quality performance measurement example in their Results-Based Accountability (RBA) trainings, done in partnership with the Charter Oak Group, LLC.

You will hear tonight from some of the thousands of people we have helped over the years. From some, you will hear about the frustration they felt when trying to find help when their insurance company said, "no." Many are stories of success. Their stories are their own, and they should tell those stories to you. I thank them for coming here this evening.

In closing, I thank you for your attention. I implore you to do the right thing, and I look forward to our continued work together.

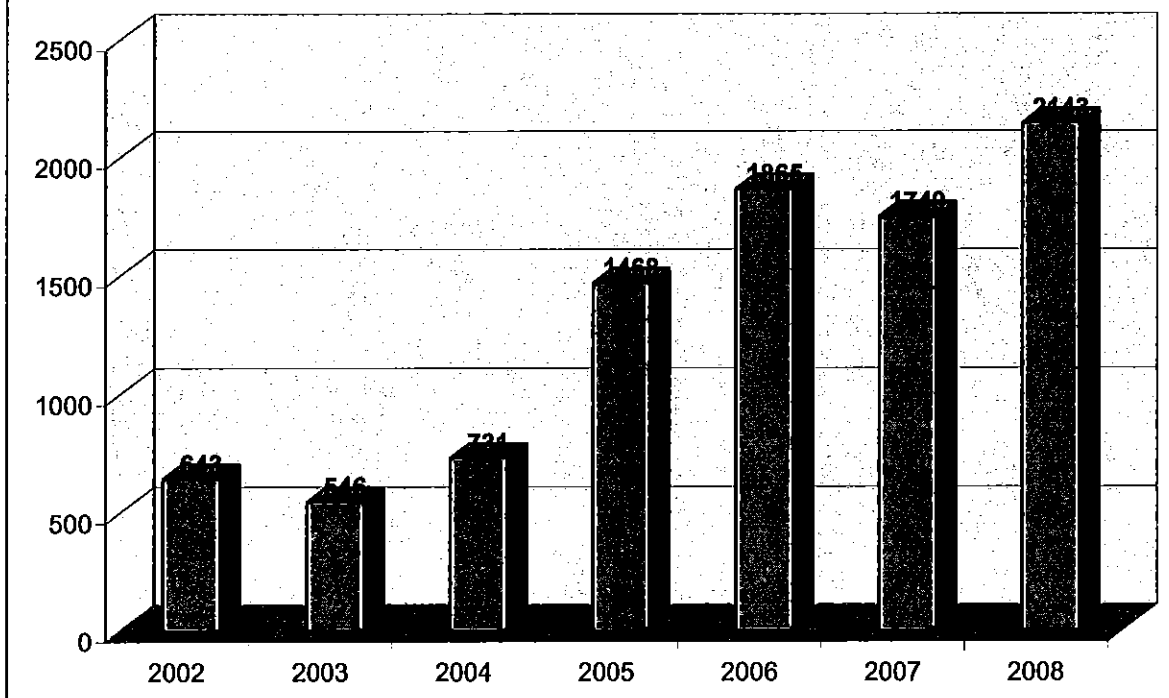
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1. Cutting OHA does not help solve the fiscal crisis.
 2. Cutting OHA only enriches the insurance companies.
 3. Cutting OHA means direct and immediate harm to consumers.

2008 Agency Cost vs. Consumer Savings



	COST (I.E., BUDGET)	SAVINGS	Savings vs Cost
2002	\$686,253.00	\$410,294.00	0.60
2003	\$709,271.00	\$205,665.00	0.29
2004	\$479,328.00	\$531,823.00	1.11
2005	\$581,414.00	\$1,487,895.00	2.56
2006	\$544,872.00	\$2,514,825.00	4.62
2007	\$993,119.00	\$4,391,353.00	4.42
2008	\$1,032,611.00	\$5,191,613.58	5.03
Total:	\$5,026,668.00	\$14,733,468.58	2.93

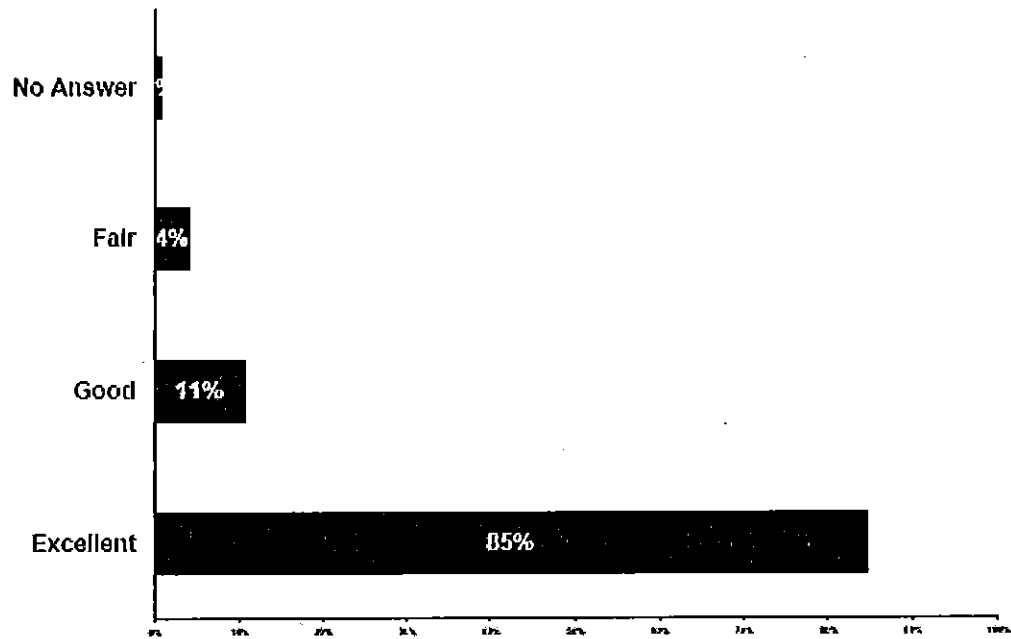
Cases Closed 2002 - 2008



Office of the Healthcare Advocate 2008 Consumer Satisfaction Survey Results

n = 142

Generally, how would you rate your overall satisfaction with how we handled your issue?



n = 142

If you encounter another issue with your health insurance plan, would you contact us again?

